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Report of the Secretary-General

Addendum

Strengthening the integration of economic and technical cooperation among developing countries in the operational activities of the United Nations system

Summary

The report traces the evolution of economic and technical cooperation among developing countries (ECDC and TCDC) as modalities of international development cooperation, and describes the role of such cooperation in assisting the developing countries in responding to the challenges presented by globalization and economic liberalization, which have exercised a dominant influence on the shape of the emerging global economic order. Against this background, the report assesses the contribution of the organizations and agencies of the United Nations system in support of such cooperation. It concludes that despite the efforts of the various organizations and agencies, ECDC and TCDC are still not optimally integrated in the operational activities of the United Nations system due to a number of major constraints, including the persistence of attitudinal barriers against such cooperation, a continuing lack of appreciation of the potential of these forms of cooperation and inadequate financial resources made available for this purpose. The report advances a number of specific recommendations aimed at strengthening the integration of ECDC and TCDC in the operational activities of the United Nations system with a view to enhancing global partnership in international development cooperation.

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I. Introduction

1. The present report has been prepared in response to General Assembly resolution 52/205 of 18 December 1997, in which the Assembly requested the Secretary-General, in cooperation with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), to prepare an assessment and recommendations aimed at further strengthening the integration of the modalities of ECDC and TCDC in the operational activities of the United Nations system with a view to enhancing the global partnership in international development cooperation. In keeping with the relevant provisions of the resolution, the report has benefited from consultations carried out with Member States and various organizations and agencies of the United Nations system, which provided useful comments and suggestions which have been incorporated in the report.

II. Evolution of economic and technical cooperation among developing countries as modalities of international development cooperation

2. The past two decades have witnessed considerable conceptual elaboration and application of ECDC and TCDC as modalities of international development cooperation aimed at complementing North-South cooperation, which has dominated traditional development cooperation. The rationale for ECDC and TCDC is in fact based on the recognition that developing countries have capacities and experiences that can be mobilized in support of their development efforts, and also as a means of promoting collective action designed to ensure their effective participation in the international economic system. Indeed, ECDC and TCDC have emerged as integral elements of the philosophy of national and collective self-reliance espoused by the developing countries.

3. In terms of definition, TCDC is essentially a process whereby two or more developing countries pursue their individual or collective development through cooperative exchanges of knowledge, skills, resources and technical know-how. On the other hand, ECDC refers to broader schemes of cooperation among developing countries, embracing such areas as trade, investment and finance aimed at promoting increased national and collective self-reliance. Both TCDC and ECDC fall under the broad rubric of South-South cooperation, which is a generic concept embracing all forms of cooperation among developing countries, although in the past South-South cooperation has been loosely equated with ECDC.

4. Despite the existence of a logical and compelling framework for the pursuit of ECDC and TCDC embodied in such documents as the Non-Aligned Action Programme (1972),[1] the Buenos Aires Plan of Action (1978),[2] the Caracas Programme of Action (1981) (see A/36/333, annex) and various resolutions adopted by the General Assembly (in particular resolutions 33/144, 44/233 and 50/119), the Economic and Social Council (in particular resolution 1992/41), the High-Level Committee on the Review of TCDC and other intergovernmental forums, the economic problems experienced by the developing countries during the 1970s and 1980s in terms of declining prices for their commodity exports, growing balance of payments difficulties and an expanding debt crisis have proved to be major obstacles in the pursuit of an optimal strategy of South-South cooperation.

5. The emergence of the phenomena of globalization and economic liberalization during the 1990s, as symbolized by the establishment in 1995 of the World Trade Organization (WTO) to preside over a liberalized global trading regime based on the principles articulated in the agreements adopted under the Uruguay Round of Multilateral Trade Negotiations concluded in 1994,[3] has presented new challenges for the developing countries, and has significantly changed the context in which ECDC and TCDC are to be pursued. Paradoxically, however, the macroeconomic policy reforms, including economic liberalization and the strengthening of the private sector, effected by the developing countries in the context of the structural reform programmes implemented in recent years, by inducing more outward looking policies, have laid the basis for the emergence of new patterns of economic cooperation among developing countries. Indeed, in contrast to the more limited sectoral programmes of cooperation pursued in the past, ECDC has become much more multisectoral in focus, and embraces strategic initiatives in trade, investment and finance. ECDC has also moved beyond the mainly intraregional focus that had characterized previous efforts to involve interregional or cross-regional initiatives. In addition, in contrast to an almost exclusive reliance on government initiatives in the past, the private sector is now much more actively involved in South-South cooperation, and indeed is seen as a critical actor in the process. The conceptual underpinnings of this new thrust are evident in the San José Declaration and Programme of Action adopted at the South-South Conference on Trade, Finance and Investment held at San José in January, 1997.

6. At the same time, the New Directions Strategy for TCDC, which was adopted at the ninth session of the High-Level Committee on the Review of TCDC held in May/June 1995 and endorsed by the General Assembly, has called for the adoption of a more strategic orientation for TCDC, focusing on a number of high priority issues, such as trade and investment, production and employment, macroeconomic policy coordination, poverty eradication and the environment, which are likely to have a major impact on the development prospects of a large number of developing countries. In addition, the New Directions Strategy has called for the identification of pivotal countries to serve as catalysts for the promotion of TCDC by virtue of their experience and demonstrated capacity in this area. Indeed, a recent meeting on pivotal countries held at Santiago in November 1997 agreed on a number of measures to be pursued by pivotal countries, in collaboration with SU/TCDC, in support of a dynamic programme of TCDC.

7. The converging strategic orientation of TCDC and ECDC described above has set the stage for the emergence of new patterns of South-South cooperation that are likely to exercise an important influence on the direction of international development cooperation in the current climate of globalization. Inevitably, it will also shape the content and orientation of the operational activities of the United Nations system in this new dispensation (for further details, see also A/52/402; E/1997/10; and A/45/810, annex).

III. Assessment of the efforts of the United Nations system in promoting economic and technical cooperation among developing countries

8. Although the developing countries have the primary responsibility for the promotion and application of TCDC and ECDC, various resolutions and decisions of the General Assembly, the Economic and Social Council, the High-Level Committee on the Review of TCDC, the UNDP Executive Board, the Trade and Development Board of UNCTAD and other intergovernmental bodies have called upon the organizations and agencies of the United Nations development system to provide support to the efforts of the developing countries to advance the objectives of South-South cooperation. In keeping with those mandates and in accordance with the specific provisions of paragraph 45 of the Buenos Aires Plan of Action, the various organizations and agencies have submitted, on a biennial basis, reports to the High-Level Committee on the Review of TCDC detailing the activities carried out by them in support of such cooperation.

9. Since it would be impractical to describe all of the activities carried out by the various organizations and agencies of the system during the two decades since the adoption of the Programme of Action in 1978 within the limits of the present report, an attempt will be made to highlight some of the more significant initiatives supported by those organizations in order to illustrate the nature of their support for South-South cooperation and to provide a basis for assessing their contribution. The analysis will cover such issues as policies and procedures, internal institutional arrangements, capacity enhancement through institution-building and strengthening, networking and twinning arrangements, information systems, the utilization of capacities available in developing countries, instrumentalities used for promoting TCDC and financing.

10. In respect of policies and procedures, since the adoption of the Buenos Aires Plan of Action, most organizations and agencies, including the regional economic commissions, have sought to adopt suitable policies and also to adapt their procedures in order to give greater emphasis to the promotion of TCDC and ECDC in the programmes supported by them. This is particularly true in the case of such United Nations bodies as the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Population Fund (UNFPA), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the World Health Organization (WHO), as well as the regional economic commissions, which have adopted explicit policies dealing with TCDC and ECDC in their respective areas of competence.

11. Similarly, most organizations have established focal points for TCDC and ECDC, or have sought to strengthen existing focal points in an effort to respond more effectively to the provisions of the Buenos Aires Plan of Action and the various intergovernmental decisions on South-South cooperation. This effort has also entailed increased training of staff and consultants in the principles and objectives of such cooperation, particularly true in the period immediately following the adoption of the Buenos Aires Plan of Action. For example, in 1979, five programming courses and four programme orientation courses were organized for the benefit of 45 United Nations Development Programme (UNDP) staff members and some 60 agency and government officials in an attempt to provide full exposure to the principles and policies of TCDC. In recent years, TCDC has

featured prominently in the training programmes sponsored by UNDP for newly appointed resident representatives and for junior professional officers and national staff from various UNDP country offices. Continued efforts need to be made to bring TCDC and ECDC to centre-stage in training programmes organized for the benefit of staff of the various United Nations organizations and agencies in an effort to strengthen their capacity to deal with South-South cooperation.

12. Capacity enhancement, through institution-building and strengthening of national and regional institutions in the developing countries, has been a major focus of TCDC and ECDC in terms of the activities supported by various United Nations organizations and agencies. For example, UNDP has provided support to the Association of South-East Asian Nations, the Economic Community of West African States and the Central American Common Market, as well as such commodity groups as the Union of Banana Producing Countries, in an effort to strengthen their overall capacity, with special emphasis on the organization and management of TCDC activities.

13. FAO has provided similar assistance to the South Pacific Commission and the South Pacific Bureau for Economic Cooperation. The Economic Commission for Asia and the Pacific (ESCAP) also has a long history of supporting regional institutions, such as the Asian Institute of Technology at Bangkok, the Mekong secretariat (in collaboration with UNDP) and the Aral Sea Authority. ILO has supported a number of regional institutions and programmes, such as the Inter-American Research and Documentation Centre, the Arab Regional Programme for Labour Administration and the Asia-Pacific Skills Development Programme. The Departments of Economic and Social Affairs and for Development Support and Management Services of the United Nations Secretariat have over the years sponsored a wide-ranging programme of institutional development, as is evident in their support for such organizations as the Latin American Centre for Development Administration, the Regional Organization for Public Administration in Asia, the African Association for Public Administration and Management, the African Training and Research Centre in Administration and the Arab Administrative Development Organization. The International Civil Aviation Organization (ICAO) has implemented a number of projects aimed at establishing regional safety oversight centres managed exclusively by developing countries.

14. UNFPA was instrumental in establishing in 1995 Partners on Population and Development as an intergovernmental organization, based at Dhaka, which facilitates and coordinates intercountry exchanges and sharing of skills and knowledge on population-related issues. The fund has also supported the establishment of centres of excellence in Indonesia, Mexico, Thailand and Tunisia to provide training and exchange of experiences aimed at strengthening national and regional capacities in the formulation and management of reproductive health programmes.

15. UNCTAD has played a particularly important role in strengthening institutional capacities geared to the promotion of South-South cooperation. Apart from its efforts in providing training in maritime transport and human resources development in foreign trade, it has supported the Global System of Trade Preferences Among Developing Countries, cooperation among State trading organizations and the promotion and establishment of multinational investment arrangements, all of which have contributed to the development of strengthened institutional capacities in the developing world. It should be pointed out that the UNCTAD commitment to capacity development has not been affected by its decision at its ninth session that ECDC should be treated as a cross-cutting issue in which the promotion and support to ECDC programmes are handled as an integral part of its work on trade, finance, technology, investment and sustainable development.

16. The ITC contribution to capacity-building in the field of South-South trade has also been quite noteworthy. It has effectively supported the establishment of trade-related institutions, such as the *Asociación Latino Americana de Capacitación en Comercio Internacional*, the Association of Training Institutions for Foreign Trade in Asia and the Pacific and the African Regional Standards Organization. Its work in trade flow analysis, supply and demand surveys, buyers/sellers meetings, enterprise cooperation, trade support services, trade expansion strategies, database adaptation and development, apart from promoting South-South cooperation, has indirectly contributed to capacity-building and institutional development in the developing countries. More specifically, it has focused its institution-building activities on business organizations and the private sector in general, which are being called upon to play an increasingly important role in the promotion of South-South cooperation.

17. UNESCO, the United Nations Industrial Development Organization (UNIDO) and the International Telecommunication Union (ITU) have also assisted in the development of national and regional institutions in the developing countries in their respective areas of competence.

18. The strengthening of the capacities of the institutions in the developing world based on the support provided by the various United Nations organizations and agencies has laid the basis for improved networking and twinning arrangements among these institutions, an increasingly important feature of South-South cooperation in recent years. UNESCO, for example, has actively supported networks for educational innovation, as in the case of the Centre for Educational Innovation and Development in the Caribbean, and also fostered exchanges among various scientific organizations. ILO has facilitated exchanges among various centres of excellence in the field of labour administration. FAO has been instrumental in the creation of the Biogas Network in Latin America, and has supported the establishment of a food crops network that promotes the exchange of germplasm among institutions in the region. The United Nations Centre for Human Settlements (Habitat) has supported an urban management programme as a network aimed at facilitating the exchange of national and regional expertise in this area. Similarly, it has sponsored workshops in the various regions as part of its global support programme for the formulation of national shelter strategies. ESCAP has also established a regional network of local authorities for the management of human settlements and a South Asian Network of Self-Help Organizations of Persons with Disabilities. The Economic and Social Commission for Western Asia has supported a network on new and renewable energy resources and technologies in the Arab region. ITC has also supported the establishment of trade information networks among developing countries, which have facilitated the exchange of information on export/import opportunities, market profiles of individual developing countries, as well as details of enterprises, products and business activities.

19. SU/TCDC within UNDP has supported a number of networks, including the Network on Small Hydro Power Development located in Hangzhou Province, China, and also networks on biosystematics in Asia, the Pacific and East Africa, which are designed to document and exchange experiences in respect of the identification and classification of micro-organisms, insects and nematodes among countries in the various regions. In partnership with the Third World Network headquartered in Malaysia, the Special Unit provided developing countries with insightful and timely analyses of the effects of globalization on the economies of developing countries, through organization of regular briefings for developing country delegates stationed at Geneva and subject-specific seminars for experts and institutions of the developing countries on a wide range of issues pertaining to globalization and economic liberalization, and ongoing negotiations in WTO. In collaboration with the Sustainable Development Network Programme, the Special Unit also supported the launching of a pilot small island developing States information network connected to the Internet. Another significant intervention in the area of gender has been the support to the Regional Prevention of Maternal Mortality network, headquartered in Ghana, which serves both as a repository and a provider of knowledge and experience in preventing maternal mortality based on an effective methodology for measuring and reducing maternal death. The network has successfully helped reduce maternal death in 11 rural communities in Nigeria, Ghana and Sierra Leone. Efforts are being made to replicate the experience in Kenya, the United Republic of Tanzania and Uganda, and eventually in all francophone African countries. In the area of poverty eradication, the Special Unit supported the launching of the Microfin Africa Network headquartered in Senegal. The network was established to facilitate the sharing of experiences in microfinancing and microenterprise, especially those related to women in African countries. It also helps create microfinancing opportunities for microenterprises, and provides training on credit qualification and management, with the poorest women and their families as the primary beneficiaries. In the area of production and employment, the Special Unit supported a technology management centre for the Organization of Eastern Caribbean States with the aim of strengthening linkages among centres of excellence in the region. The network brings together a wide range of stakeholders, including universities, research and development communities, government agencies and the productive sector, as well as non-governmental organizations, in order to develop innovative approaches to increase productivity, diversify employment opportunities and improve international competitiveness in an increasingly globalized economy.

20. UNCTAD has been an active sponsor of networks. It has supported a trade information network linking a number of Asian countries. It has also sponsored the Global Trade Point Network, which applies modern information technology in trade promotion. To date, 60 trade points have been established and 17 centres have been connected using the Internet facility. The network has served as an important facilitator of South-South trade. The scope of networking in the TCDC/ECDC activities of the organizations and agencies of the United Nations, including the regional economic commissions, is illustrated by the fact that based on reports submitted to the eighth session of the High-Level Committee on the Review of TCDC, seven agencies reported that they

had supported some 77 networking arrangements during the 1991–1992 biennium.

21. Regarding the use of capacities available in the developing countries as part of the effort to promote an expanded programme of South-South cooperation, all of the United Nations organizations and agencies have indicated that they have made progressively greater use of experts services and equipment from the developing countries in the implementation of their technical cooperation programmes. Several organizations and agencies reported that at least one third of the consultants recruited by them are from the developing countries, while five organizations indicated that as many as two thirds of experts are from developing countries.

22. However, while increased use has been made of experts services from the developing countries over the years, more modest gains appear to have been made in terms of the procurement of equipment from those countries in spite of the incentive provided by the UNDP Executive Board, which allows a 15 per cent cost differential for equipment supplied by the developing countries in respect of technical cooperation projects.

23. An effective information system, including a database on capacities in the developing countries, has been recognized ever since the adoption of the Buenos Aires Plan of Action as an important mechanism for promoting TCDC and ECDC. The TCDC Information Referral System (TCDC-INRES), developed by SU/TCDC, has proved to be an important source of information on institutional capacities in the developing countries.

24. From its origins as a directory, it has developed into a computerized database, offering information on the capacities of over 4,000 institutions in the developing world. TCDC-INRES is accessible to developing countries, United Nations organizations and other interested parties through the Internet or on diskettes, which have been widely distributed by SU/TCDC. TCDC-INRES is currently being expanded into a multidimensional information system that will provide data not only on institutional capacities but also on experts, centres of excellence and – most importantly – on innovative technical cooperation activities capable of replication in other developing countries. Elements of this approach have recently been applied in the preparation of the directory of experts and institutions of small island developing States prepared by SU/TCDC, which includes information both on individual experts and institutional capacities in these countries. Further work would need to be done, however, in order to increase linkages between TCDC-INRES and the databases in other United Nations organizations and agencies, such as those developed by FAO, in order to facilitate the exchange of data among the various organizations and agencies.

25. Another aspect of information support is reflected in the publications prepared by the various United Nations organizations and agencies. Most of these organizations have issued periodic bulletins, newsletters, handbooks and manuals aimed at publicizing their activities on TCDC and ECDC, and generally contributing to an increased awareness of the relevance and importance of these concepts.

26. In the process of carrying out their activities, a number of United Nations organizations and agencies have succeeded in implementing innovative TCDC and ECDC projects, as they have been urged to do in keeping with the relevant provisions of the Buenos Aires Plan of Action. Examples of innovative approaches are reflected in ITC's "new product network approach" and its "Export production villages" concept; the Habitat New Strategy for On-the-Job Learning and Information Exchange based on the promotion of staff linkages among ongoing urban management programmes; WHO's medium-term programme on TCDC for Health for All, which is in effect the first programme of its kind; ICAO's TRAINAIR training concept; and the FAO framework agreement on the use of experts for TCDC. FAO, in collaboration with SU/TCDC, has also identified 50 innovative experiences in sustainable agriculture and rural development, food security, people's participation and the involvement of women and non-governmental organizations in poverty eradication.

27. The various United Nations organizations and agencies, including the regional economic commissions, have employed a number of instrumentalities in the promotion and application of TCDC and ECDC. Over the years, they have supported a large number of substantive conferences, meetings, seminars and workshops dealing with both promotional and operational aspects of South-South cooperation in an effort to promote increased awareness of TCDC and ECDC and also to address specific operational issues. ESCAP, for example, has hosted a number of working groups dealing with TCDC and ECDC in an effort to intensify cooperation in these areas. Other United Nations bodies, such as FAO, the Department of Economic and Social Affairs, ILO, UNIDO, UNCTAD and WHO, as well as the regional commissions, have also sponsored a series of substantive meetings and workshops designed to promote the objectives of South-South cooperation in their areas of competence.

28. The SU/TCDC within UNDP has over the years supported meetings and workshops dealing with such issues

as aid management and coordination; poverty eradication; computer training; the commercialization of research and development; energy planning; science and technology; South-South trade; international migration; primary health care; urban management; halophytes in agriculture; medicinal plants and ethno-botany; macroeconomic policy; investment cooperation; aerial photography; postal legislation; small island development; AIDS; TCDC strategies; spare parts reconditioning; the strengthening of non-governmental organization capacity; and small-scale hydro-power development. During the period 1992–1996, SU/TCDC sponsored a total of 53 workshops and seminars.

29. One instrumentality employed by SU/TCDC that is particularly noteworthy is the TCDC programming exercise, also known as capacity and needs matching exercises. This modality, which was introduced in 1983, has proved to be one of the most important means of promoting TCDC. During the period 1992–1996, the Unit supported 11 such exercises on such issues as mining and environment; management; health; civil air transport; food production; industry support services; agriculture, rural development, water resources and technology; mining; rural credit and poverty; and inland/coastal fisheries and aquaculture. These exercises have together resulted in the conclusion of a large number of agreements among developing countries from all geographical regions of the South. Measures are currently being put in place to ensure closer monitoring of the implementation of these agreements and to identify catalytic funding in cases where implementation is delayed because of financial constraints.

30. In terms of funding, the average annual expenditure on TCDC activities by the organizations and agencies of the United Nations was reported to be in the order of approximately $100 million, of which UNDP counted for about 50 per cent, and more than half of that amount was reported as coming from regional allocations. The types of activities supported by organizations were reported to fall into the following categories: networking (27 per cent); meetings, seminars and workshops (25 per cent); institution-strengthening (19.5 per cent); training (17 per cent); information systems (8.4 per cent); feasibility studies (0.7 per cent); and other activities, such as provision of experts and fellowships (2.4 per cent).

31. Despite the wide range of activities that have been carried out over the years by the various organizations and agencies, TCDC and ECDC are still not optimally applied in the operational activities of the United Nations system due to a number of constraints.

32. To begin with, TCDC and ECDC face an uphill task in challenging the conventional approach to technical cooperation, which as mentioned earlier has traditionally been dominated by North-South patterns of cooperation. The application of these modalities faces significant attitudinal barriers in terms of an established preference for traditional patterns of development cooperation that have been built up within the United Nations system over the years. At the same time, despite significant efforts to advance TCDC and ECDC over the past two decades, there is still insufficient awareness of their potential for strengthening international development cooperation. There is also a lack of a sufficiently comprehensive database on individual expert capacities, as distinct from institutional capacities, of the developing countries, which the expansion of TCDC-INRES into a multidimensional database will doubtless overcome in time. In addition, the absence of sufficiently quantitative data has prevented the establishment of appropriate benchmarks to assess the true extent of support for TCDC and ECDC by the United Nations system. This problem is in part due to the absence of a uniform interpretation of the definition of TCDC and ECDC that has been endorsed by the relevant intergovernmental forums, including the General Assembly, the Economic and Social Council and the High-Level Committee on the Review of TCDC and an inconsistency in the application by United Nations bodies of the criteria for identifying TCDC and ECDC activities. The problem is compounded by the lack of a suitable methodology for reflecting TCDC and ECDC in components of programme and project budgets. In the absence of such a clear identification of TCDC and ECDC components of programme and project budgets, in some cases there has been a tendency to count the total budget of programmes and projects as a TCDC or ECDC activity even though TCDC and ECDC feature as only a part of such activities. This is particularly true in the case of regional projects, which as indicated earlier are seen as accounting for the bulk of the resources reportedly allocated to TCDC and ECDC, on the grounds that such projects by their very nature promote cooperation among developing countries. However, strictly speaking, regional projects should not be automatically equated with TCDC and ECDC unless they satisfy the established criteria for such activities.

33. Finally, the lack of an adequate level of resources to fund TCDC and ECDC has been a major constraint on the application of these modalities in operational activities. Even assuming the reliability and accuracy of the reported expenditures, the level of resources allocated for TCDC and ECDC is still quite modest compared with the total resources allocated to traditional technical cooperation activities. Even

the amount specifically allocated for TCDC over the years by the UNDP Executive Board, first as part of the special programme resources and as a separate allocation during the current programming cycle, although quite important, is still inadequate given the extent of the needs of such cooperation. Moreover, the utilization of individual country allocations for TCDC and ECDC has also been relatively modest, except in the case of those countries which, as a matter of national policy, have specifically assigned a proportion of such resources for the explicit purpose of promoting South-South cooperation.

34. Taken together, these factors have prevented the full realization of the potential of TCDC and ECDC. It is important therefore to identify, on an urgent basis, specific measures that should be adopted in order to remove the existing constraints standing in the way of a dynamic integration of TCDC and ECDC in the operational activities of the United Nations system in the future.

IV. Recommendations aimed at further strengthening the integration of economic and technical cooperation among developing countries in the operational activities of the United Nations system

35. Based on the foregoing assessment of the activities of the United Nations system in support of TCDC and ECDC and taking account of the strengths and weaknesses identified in the analysis, a number of specific measures would need to be adopted in an effort to further strengthen the integration of TCDC and ECDC in the operational activities of the United Nations system.

36. At the broad policy and programmatic level, the organizations and agencies of the United Nations system, including the regional economic commissions, should seek to mainstream and institutionalize TCDC and ECDC by integrating these modalities in their organizational policy, operations manuals and directives and in their programming arrangements, and by putting in place the necessary supporting structure to ensure the systematic implementation, monitoring and reporting of their programmes in support of TCDC and ECDC.

37. The various organizations and agencies would also need to reorient their approach to TCDC and ECDC to reflect the new strategic orientation of these concepts described earlier. Indeed, the strategic convergence and operational integration between the two concepts is a sine qua non for the formulation and implementation of an effective programme of South-South cooperation in the current climate of globalization and economic liberalization, which continue to exercise a dominant influence in shaping the emerging global economic order. For this reason, the various United Nations organizations and agencies should engage in a concerted effort to identify innovative ways in which they could further support the attainment of the objectives of TCDC and ECDC in keeping with the relevant mandates of the General Assembly, the Economic and Social Council, the High-Level Committee on the Review of TCDC and other appropriate intergovernmental forums.

38. Moreover, in keeping with the increasingly multisectoral character of cooperation efforts among the developing countries, United Nations organizations and agencies should seek to identify suitable opportunities to promote joint cooperation arrangements to which they could bring their various sectoral competences in support of multisectoral initiatives. It is encouraging to note that UNCTAD and UNIDO recently strengthened their coordination arrangements in launching, earlier in 1998, a strategic alliance for investment promotion and enterprise development in developing countries. With the support of UNDP, this new alliance can play a key role in supporting joint trade and investment arrangements agreed by developing countries.

39. All organizations and agencies should seek to implement Economic and Social Council resolution 1992/41 to ensure that TCDC, and indeed ECDC, are given "first consideration" in the design, formulation, implementation and evaluation of their operational activities.

40. Regional commissions should play an increasingly active role in promoting and supporting intraregional and interregional TCDC and ECDC activities of strategic importance, and should work closely with regional and subregional groupings, networks and centres of excellence in developing countries in this endeavour.

41. Given the difficulties experienced in reporting in the past, United Nations organizations and agencies should seek to arrive at a common understanding of TCDC and ECDC in keeping with the definition and criteria already established for identifying such activities. This would facilitate accurate reporting on TCDC/ECDC programmes and projects supported by them. In particular, UNDP and the various United Nations organizations and agencies should develop a suitable methodology for reflecting TCDC/ECDC as a separate component of programme and project budgets in order to provide a basis for compiling quantitative data on

such activities. They should also seek to promote a culture of sharing innovative approaches and best practices in respect of TCDC and ECDC, including innovative financing arrangements. Moreover, their evaluation and reporting arrangements should focus more on results and impact and less on process.

42. More generally, the organizations and agencies of the system should seek to further strengthen their capacity to support TCDC and ECDC activities. They should continue efforts to ensure the necessary orientation of staff in terms of the principles and practices of TCDC and ECDC in the training programmes organized by the United Nations system. As part of the effort aimed at increased institutional strengthening and coordination, SU/TCDC within UNDP and UNCTAD should intensify their cooperation and seek to identify programmes and projects that could be implemented on the basis of an operational integration of TCDC and ECDC. In addition, the TCDC/ECDC focal points of the United Nations system should continue to meet annually in order to exchange experiences and identify appropriate measures that would lead to an intensification of support for South-South cooperation.

43. An increased effort would also need to be made to integrate TCDC and ECDC in programme and coordination frameworks, such as the country strategy note, the United Nations Development Assistance Framework (UNDAF), the UNDP country cooperation framework and other instruments and mechanisms employed by the United Nations organizations and agencies in carrying out their programmes. In addition, resident coordinators should include TCDC and ECDC on the agenda of inter-agency meetings, and, as appropriate, donor meetings in order to identify measures for increasing the application of these modalities in development cooperation activities at the national level. Resident coordinators should also include in their annual report information on progress made in the application of these modalities during the reporting period. In recognition of the importance of TCDC and South-South cooperation in general, the Administrator of UNDP issued instructions to UNDP resident representatives in November 1997, requesting them to give special attention to the promotion and application of TCDC in keeping with the various mandates on the subject, with special reference to the implementation of the New Directions Strategy for TCDC adopted at the ninth session of the High-Level Committee on the Review of TCDC and endorsed by the General Assembly.

44. Given the importance of the global conferences held in recent years on such issues as the environment, population, social development, small island developing States, women and human settlements, as well as the work of the ACC task forces on the follow-up to those conferences, it will be necessary to ensure that TCDC and ECDC are systematically integrated into the follow-up strategies if those concepts are to be fully integrated into the operational activities of the United Nations system. In fact, the declarations and programmes of action adopted by many of the global conferences specifically emphasize the importance of utilizing TCDC and ECDC in modalities for achieving the objectives of the various programmes of action.

45. In view of the relevance of an adequate database on capacities in the developing world, urgent action should be taken to expand TCDC-INRES into a multidimensional information system providing data not only on institutional capacities but also on individual experts, centres of excellence and innovative cooperation arrangements that could be replicated in other developing countries. Efforts should also be made to establish linkages between TCDC-INRES and information systems and databases developed by other organizations and agencies in order to rationalize the compilation and use of such information by the United Nations system and other interested parties.

46. In supporting TCDC and ECDC, the United Nations organizations and agencies would need to establish closer contact with organizations in the developing world, such as the South Centre based at Geneva, the Non-Aligned Movement Centre for South-South Technical Cooperation based at Jakarta and the Third World Network based in Malaysia, which have been actively involved in the promotion of South-South cooperation. The establishment of such links could have a synergistic impact by combining the strengths of the various organizations in support of comprehensive strategies and programmes of cooperation implicit in the multisectoral cooperation ventures mentioned above.

47. In carrying out their TCDC and ECDC activities, United Nations organizations and agencies should also seek to foster the increased involvement of the private sector in the developing countries in such activities, given the increasing importance of those organizations in the development process.

48. Since the successful integration of TCDC and ECDC in the operational activities of the United Nations system also requires complementary activities on the part of the developing countries themselves, which have primary responsibility for such cooperation, United Nations organizations and agencies, in particular SU/TCDC within UNDP, should intensify their efforts to assist the developing

countries in formulating appropriate national policies for integrating TCDC and ECDC in their national planning and development process and in strengthening their institutional capacity for managing TCDC and ECDC programmes and projects. SU/TCDC should also seek to elaborate on an urgent basis, specific proposals for ensuring that "pivotal countries" serve as effective catalysts for the promotion and application of TCDC and ECDC. Moreover, multilateral ECDC/TCDC initiatives should, to the extent possible, be coordinated with bilateral initiatives in order to promote increased synergy between these initiatives, and also to rationalize the use of resources by avoiding duplication of effort.

49. Since adequate financing is a critical element in promoting a viable programme of South-South cooperation, urgent attention should be given to increasing the resources made available for such cooperation. Bearing in mind the relatively modest nature of the contribution allocated specifically to TCDC over the past 20 years since the adoption of the Buenos Aires Plan of Action compared to the total resources contributed to UNDP over the same period, the Executive Board of UNDP should give consideration to the possibility of increasing the allocation for TCDC in keeping with the recommendation made by the High-Level Committee on the Review of TCDC at its tenth session. United Nations organizations and agencies should also seek to increase the allocation of resources for TCDC and ECDC from their regular programme budgets. In addition, both developed and developing countries should be encouraged to provide contributions to the Trust Fund for South-South Cooperation, which was established by the Administrator of UNDP in keeping with a request contained in United Nations General Assembly resolution 50/119 of 20 December 1995.

50. Interested parties should also seek to expand the resources available to the Perez-Guerrero Trust Fund, which has served as an important source of funding for small-scale catalytic projects on South-South cooperation.

51. In view of the need to strengthen the intergovernmental review process and ensure the continuing operational integration of TCDC and ECDC, it is proposed that in future the High-Level Committee on the Review of TCDC review progress on the operational integration between TCDC and ECDC, based on the submission of a report on the subject prepared by SU/TCDC in consultation with UNCTAD. This would enable Member States to review progress on an important policy element of the New Directions strategy, without prejudice to the maintenance of the separate institutional identity and responsibilities of SU/TCDC within UNDP and UNCTAD.

52. Consideration should also be given to the strengthening of SU/TCDC in order to enable it to assist the Secretary-General and the Administrator of the United Nations Development Programme in ensuring the promotion of TCDC on a system-wide basis.

53. Finally, all United Nations organizations and agencies should apply, in a consistent manner, the revised guidelines for TCDC prepared by SU/TCDC within UNDP on the basis of consultations with the various organizations and agencies, subject to any observations or amendments made by the General Assembly. In fact, the revised guidelines contain a number of important provisions relevant to the integration of TCDC and indeed ECDC in the operational activities of the United Nations system. For this reason, the Administrative Committee on Coordination should continue to monitor, on a periodic basis, the application of the guidelines in order to assess progress in their application on a system-wide basis, and to seek to resolve any problems that might prevent organizations from achieving an optimal application of TCDC and ECDC modalities in their programmes and activities. This is particularly important in view of the fact that one of the objectives of the United Nations reform effort is to reorient the activities of the United Nations system towards increased South-South cooperation.

54. The recommendations contained in the present report are intended to contribute to a more intensified pattern of support for TCDC and ECDC by the United Nations system, and therefore place the system at the centre of a pattern of international development cooperation that is likely to assume increased relevance and importance in the future. The recommendations in the report in fact complement and reinforce the revised guidelines on TCDC, which also contain a number of provisions aimed at increasing the application of this modality by organizations and agencies of the United Nations system.

V. Conclusion

55. The foregoing analysis suggests that TCDC and ECDC have shown a consistent pattern of evolution over the years as important aspects of a philosophy of international development cooperation. In recognition of this fact and in keeping with various intergovernmental mandates, the organizations and agencies of the United Nations system have sought to integrate these modalities in their operational activities. However, despite these efforts, the results achieved are still not optimal, bearing in mind the tremendous potential of TCDC and ECDC as cost-effective

modalities of international development cooperation. The reasons for this are varied, but certainly the persistence of attitudinal barriers against this form of cooperation compared with more traditional forms of technical cooperation, combined with the continuing lack of awareness of the true potential of South-South cooperation and also the inadequacy of the resources allocated for such cooperation, have operated as major constraints. However, given the growing importance of South-South cooperation and its increasing strategic orientation, the organizations and agencies of the United Nations system would need to redouble their efforts in support of such cooperation. This need has become all the more urgent in the context of the efforts of the developing countries to convene a South summit in 1999 in order to formulate a South-South cooperation strategy that would enable them to respond effectively to the opportunities and challenges presented by globalization and economic liberalization, which have exercised a dominant influence in shaping the newly emerging global economic order. Such support would also be quite timely in view of the fact that 1998 marks the twentieth anniversary of the adoption of the Buenos Aires Plan of Action, and therefore provides an important opportunity for the international community, including the United Nations organizations and agencies, to rededicate itself to the cause of South-South cooperation.

56. The recommendations presented in the present report are designed to strengthen the capacity of the United Nations organizations and agencies to respond to this historic challenge, and in so doing to ensure the full and effective integration of TCDC and ECDC in the operational activities of the United Nations system with a view to enhancing global partnership in international development cooperation.

Notes

[1] See *Report of the Conference of Foreign Ministers of the Non-Aligned Countries, Georgetown, Guyana, 1972.*

[2] See *Report of the United Nations Conference on Technical Cooperation among Developing Countries, Buenos Aires, 30 August–12 September 1978* (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

[3] See the *Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva, GATT secretariat, 1994).